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HABITAT III

Canada National Report



**Habitat III on Housing and Sustainable Urban Development -
Canada National Report**

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Canada National Report

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Executive Summary

Over the last four decades, the United Nations' Habitat Conference on Housing and Sustainable Urban Development has sought to address the challenges associated with creating suitable, affordable, and sustainable living spaces. Since the inaugural meeting held in Vancouver in 1976, issues of adequate housing and support for vulnerable populations have continued to evolve. Today, as the international community looks ahead to the next twenty years, the Habitat III New Urban Agenda is attempting to anticipate and address the challenges of rapid urbanization.

Building a more fair, inclusive and equitable society starts with understanding the difficulties faced by all citizens, including its most vulnerable groups, such as immigrants, youth, seniors, Indigenous Peoples, persons with disabilities, and those without homes. Canada is taking a number of measures to enhance the lives of its citizens, including offering immediate help to those who need it most, while continuing to support sustained economic growth.

Canada recognizes poverty, sustainability and inclusivity are complex issues which require a forward looking vision. Governments are committed to working in cooperation with civil society organizations and the private sector to develop solutions which extend beyond bricks and mortar. For example, the Government is currently developing the Canadian Poverty Reduction Strategy that will set targets to reduce poverty while publicly measuring and reporting on progress. Furthermore, Canada is developing a long term National Housing Strategy to meet the needs of all citizens, now and for future generations. This strategy reaffirms a commitment to poverty reduction, job creation and environmental sustainability in creating healthy, inclusive communities.

Prosperous cities also ensure the health and safety of their inhabitants. New programs are being implemented to protect the safety of women and those living in Indigenous communities. This includes investment in shelters, victim support services and measures aimed at addressing the underlying causes of violence among vulnerable groups.

Along with a renewed approach to fostering innovation, Canadian cities are places of opportunity for all. A clean environment is closely tied to quality of life and local resilience. From reducing greenhouse gas emissions (GHG) to transforming the way we live, work and move around our communities, Canada is committed to taking a global leadership role in addressing the challenges of climate change through green investment, green technology and the National Climate Plan.

Looking ahead, governments are working together to meet the needs of the present and future generations by advancing the priorities as set out in the New Urban Agenda for the Habitat III Summit. Canada remains committed to improving the standard of living for all, shaping cities and rural areas to meet the challenges of tomorrow, conserving the environment, and advancing long-term economic competitiveness. Finding innovative solutions to the shared challenges facing communities will not be easy. However, through the integration of environmental, economic and social programs, as well as the unified action of citizens, industry, civil society, and governments, we can collectively work towards ensuring that communities will be healthy and productive places to live, where all Canadians have a real and fair chance to succeed.

Introduction

The 2016 United Nations (UN) Conference on Housing and Sustainable Urban Development represents the third Habitat Summit. With Canada as host in 1976, Habitat I focused on basic needs and shelter for the most disadvantaged. The preceding decades had seen large scale domestic migration brought about by the increased economic prospects in growing urban centres. To address this challenge, the primary focus was on building more houses.

As the world turned its attention to Istanbul, Turkey in the spring of 1996, changes in approach towards these issues were well underway. There was increasing support for initiatives which combined new housing policy with community-based and private sector initiatives. A gender lens had also been adopted as part of a broader emphasis which sought to give a voice to the needs of the disadvantaged. Finally, instead of seeking to curb urbanization, governments were beginning to foster it.

The priorities of Habitat II were twofold: adequate shelter for all and the sustainability of settlements. With over a billion people living in unsatisfactory housing worldwide, the issue needed to be situated in the broader context of economic, social and environmental sustainability. The conclusion of the conference saw five additional principles adopted which would serve to guide policy development in the following two decades including: international cooperation, program assessment, enablement and participation, gender equality, and financing shelter and human settlements. Despite these resolutions, adoption was limited and remained principally focused on bricks and mortar as a solution for cities.

Since Habitat II

Today, urban centres now represent over half of the global population and cities are the front line for many of the global community's most pressing issues. Social inequality, climate change and poverty are challenges governments (federal, provincial/territorial and municipal) must confront. Unlike preceding decades, the approach to solving these issues must go beyond simply building more houses. This means working with stakeholders to create a progressive plan for the future which recognizes that urbanization is not only an outcome of development but also a means to it.

An approach beyond bricks and mortar means creating inclusive, sustainable communities of opportunity for all. These inputs are the foundation of healthy living for citizens now and for generations to come. When the global community improves urban living conditions, everyone benefits.

Understanding lessons from the past, Canada is committed to creating cities of opportunity for all as part of the Habitat III New Urban Agenda. The National Report highlights this vision by outlining Canada's environmental and social development initiatives. From urban infrastructure development aimed at strengthening the urban spaces and urban-rural linkages to ensure shared prosperity to employment programs which give all Canadians have a fair chance to succeed, the Government of Canada, in partnership with provincial, territorial (F-P/T) and municipal governments, is actively engaged in building stronger, healthier communities.

The benefits of stable, environmentally sustainable and affordable living conditions for Canadians are clear. When low-income households can access the housing they need, they gain more than just a roof over their heads. Affordable, adequate and suitable housing supports healthier people, improves educational and employment outcomes, and creates conditions for broader social and economic success. Likewise, the benefits of sustainable living are equally important for the creation of healthy living environments and are part of Canada's broader commitment to the 2030 Agenda for Sustainable Development and the adoption of the Paris Agreement on Climate Change.

Today, Canada looks ahead to the promise of a New Urban Agenda. At the foundation of this new chapter is a people centred approach, which enhances the lives of all Canadians for generations to come. As part of this new vision, the Government of Canada will make important investments to expand affordable housing, especially among seniors, build and renovate shelters for victims of domestic violence, and support energy and water efficiency retrofits and renovations of existing social housing. Additionally, the Government of Canada is making unprecedented investments in green infrastructure including clean water facilities, the enhancement of public transit and cultural and recreational facilities.

Progress through Partnership

The challenge of creating inclusive cities with access to adequate housing and developing sustainable urban spaces requires a commitment to partnership and cooperation. Canada is a highly decentralized country with a high degree of urbanization. Addressing the complexity of today's challenges is insurmountable without the extensive collaboration between governments. All three levels of government each have their respective areas of authority, however, many important responsibilities are shared.

As in all federations, the division of legislative powers is an important aspect of the system of government. The distribution of powers is found in Canada's *Constitution Act*. While this Act stipulates national matters be handled by the Parliament of Canada and gives the provincial legislatures jurisdiction in matters of a local nature, the relationship is characterized by a spirit of cooperation. As a federation, the provinces and territories (P/Ts) have the power to levy direct taxes (e.g. income taxes) and issue licenses to raise revenue as well as determine jurisdictional environmental policy.

Municipal governments are established by P/Ts and play an important role in the lives of Canadians. There are approximately 5,000 municipal governments (cities, towns, villages and metropolitan regions). They are responsible for such services as water supply, housing stock and occupancy, sewage and waste disposal, roads, parks, libraries and many other local amenities.

As another important partner, Canada has recognized the inherent right of Indigenous Peoples of Canada to self-government as an existing right within the Canadian Constitution. Respecting the autonomy of Indigenous governance is part of the federal Government's commitment to developing a renewed, nation-to-nation relationship with Indigenous Peoples; based on recognition of rights, respect, co-operation, and partnership, to make progress on the issues most important to them including housing, infrastructure, health and mental health care, child welfare, and education. Negotiations among F-P/T and Indigenous governments are in progress to implement self-government arrangements including Indigenous jurisdiction over such areas as education, health, social services and housing.

These different governments do not act in isolation, however. The Canadian federal system, including the laws, policies and programs of its various governments, is a complex yet co-ordinated whole. Areas such as housing draw on the strength of governments to play an important function in providing a strong and stable housing system. For instance, approximately 80 percent of existing social housing in Canada is administered by P/Ts. The remaining 20 percent is administered by Canada Mortgage and Housing Corporation on behalf of the federal government and includes the on-reserve portfolio and certain federally funded housing units off-reserve, such as housing cooperatives and non-profits.

In the creation of healthier, stronger communities, organized action extends beyond government. Community groups, non-profit organizations, labour unions, the private sector and social advocacy groups are just some of the groups that play a major role in shaping priorities. Along with the broader Canadian public, these groups have an important role to play in shaping social and environmental policy.

Acknowledging the importance of all these stakeholders, the Government of Canada has committed to renewed collaboration with P/T and municipal governments to achieve results for Canadians. This means understanding local needs and taking action. The Prime Minister and federal ministers have been actively engaging with provincial and municipal leaders on a range of federal and shared priorities such as infrastructure, poverty reduction, climate change, business innovation, and the introduction of federal accessibility legislation. Ministers have received direction to align these initiatives with municipal priorities. Only a commitment to stakeholder partnership can ensure that federal efforts support and enhance municipal programming.

Canada is looking beyond bricks and mortar, towards a people centred vision for communities across the country.

The Next Twenty Years

In the spirit of the New Urban Agenda, Canada is looking beyond bricks and mortar, towards a people centred vision for communities across the country. Governments and stakeholders, are working together in seven key areas to ensure all Canadians have healthy, sustainable and prosperous opportunities.

- I. Leaving No One Behind
- II. Fostering Sustainable Growth
- III. Providing Leadership in Climate Policy
- IV. Building a Safe City for All
- V. Supporting Job Creation for Future Prosperity
- VI. Building Houses and Basic Infrastructure for a Better Future
- VII. Working Together in Partnership

Part I Urban Demographic Leaving No One Behind

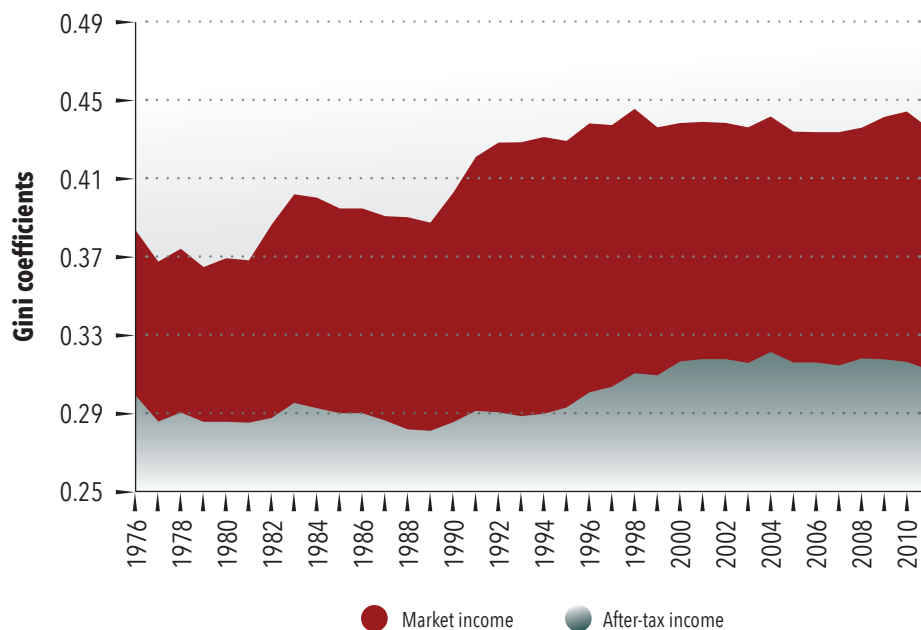
The Government of Canada is committed to creating an environment which allows all Canadians a real and fair chance to succeed. This people-centred approach guides the adoption of progressive policies to achieve sustainable and inclusive urban prosperity for all while fostering ecological and resilient cities and human settlements.

Canada is a country characterized by a vast geography. Although it covers seven percent of the world's landmass, much of the country is marginal for human habitation. Despite a large territory, Canada's population of 36 million is concentrated in high density cities near the Canada-United States border. Over 81 percent of Canadians live in urban centres of which Vancouver, Toronto and Montreal are the largest. The population of Canada is supported by a social security system including a wide array of benefits. These include universal health care, accessible post-secondary education, and various income supports such as employment insurance and public pensions. A progressive tax system enables low income earners and underrepresented groups to get ahead by providing tax benefits and subsidies.

Despite this social safety net, income inequality has continued to be a concern. Beginning in the wake of economic recessions in the early 1980s and early 1990s, income inequality did not decrease over the periods of growth that followed, suggesting a structural upward trend. While Canada has recovered from the 2008 recession, wages and earnings have generally become more unequal in Canada, with particularly strong growth at the top and stagnation for the bottom two quintiles. There are also fewer middle-income families (a decline of four percent between 1976 and 2011) which indicates a modest hollowing out of middle-income families.

Building a fair and equal society starts with understanding the size, scope and situation faced by all Canadians including its most underrepresented groups. The Government of Canada believes that these groups, including immigrants, youth, seniors, Indigenous Peoples, persons with disabilities and women, are vital in the creation of stronger, healthier Canadian communities.

Figure 1
Income Inequality in Canada 1976-2011
 (Gini Coefficient* - Adjusted Household Income)



* The Gini coefficient is measured on a scale of 0 to 1 and calculates the extent to which the distribution of income among individuals within a country deviates from an exactly equal distribution. A Gini coefficient of 0 represents exact equality—every person in the society has the same amount of income, while a Gini coefficient of 1 represents total inequality— one person has all the income and the rest of the society has none.

Recent Immigrants

Canadians take pride in our cultural diversity, recognizing it as the source of strength that binds us. Net international migration currently accounts for about two-thirds of population growth in Canada, rising from about 40 percent in the early 1990s. Since 1996, the immigrant and refugee population of Canada has grown at 3.5 times the rate of the nonimmigrant population and immigrants now make up over 20 percent of the country's population, the highest share in 80 years. In 2015 over 285,000 immigrants, including many Syrian refugees, landed in Canada, the highest annual intake in 40 years.

Canadians take pride in our cultural diversity, recognizing it as the source of strength that binds us.

Each year, this younger, growing populace increasingly comprises an important piece of the Canadian urban landscape. However, these groups often face many barriers to full participation in Canadian society. In 2012, an immigrant who had landed in Canada just a year earlier earned a median employment income of just \$20,000 – well below the Canadian average. Furthermore, Canadian studies have shown that as immigrant cohorts increase, real income among this group decreases. With more immigrants coming to Canada than ever before, creating strong, people centred policies which include the needs of these newcomers is essential.

Youth

In Canada, the situation for youth yields mixed results. On one hand, the total number of at-risk youth have steadily declined since Habitat I in 1976.

Likewise, Canadian youth (age 15 to 29) not in education, employment or training (NEET) has decreased from 22 percent to 13 percent over the same period. Yet significant challenges persist among underrepresented groups within the youth cohort. Since the 2008 recession, the NEET rate among youth has increased by 2 percent. This includes immigrant youth who now have a 3.1 percent higher rate of unemployment than the Canadian average.

Mental health is an important aspect of the overall health and well-being of Canadian youth, and it is estimated that nearly 1.2 million Canadian young people experience mental health issues. This demographic also reports worsening life satisfaction relative to their peers in other countries. This trend was particularly prevalent among girls (age 11–15). Challenges are even more pronounced for Indigenous youth. In Canada, Indigenous Peoples rank far below the rest of the Canadian population on almost all socio-economic indicators, including health, education, and income. Taking action in these areas will empower the next generation and represents an important government priority.

Older Workers and Seniors

For the first time in Canada's history, there are more seniors over the age of 65 than there are children under the age of 15 and the number is expected to more than double by 2036. A forward looking vision for healthy communities means addressing the particular challenges faced by seniors. Presently, 90% of Canadian seniors live with at least one chronic disease or condition and by 2041, seniors will have the highest rate of mental illness in Canada. Approximately 12 percent of seniors live in poverty, amounting to almost 600,000 people. Seniors living alone are particularly hard pressed financially, with more than one in four single seniors, most of whom are women, living in poverty. For those within 10 years of retirement roughly half (47 percent) have no accrued employer pension benefits in Canada and hold median retirement assets of approximately \$3,000. Creating income stability and promoting healthy ageing ensures that seniors can continue to contribute to the diversity of cities and live long, healthy lives.

Persons with Disabilities

In Canada 13.7 percent of citizens report living with a disability. Many Canadians with disabilities continue to experience challenges securing gainful employment and persons with developmental disabilities face unique barriers to social integration despite being willing and capable of participating in an urban life and the labour market. The employment rate of Canadians with disabilities was 49 percent in 2011, compared with 79 percent for Canadians without a disability. Only 30 percent of Canadian small business owners hired persons with disabilities despite over 77 percent of those employers reporting their new employees met or exceeded expectations. Finally, the poverty rate among persons with disabilities is 19.4 percent, compared to the Canadian average of 14.9 percent. The Government of Canada recognizes the valuable contribution persons with disabilities can make to urban life and is committed to equipping them with the necessary supports to succeed.

Indigenous Peoples

Indigenous Peoples represent the fastest growing segment of the Canadian population. Currently comprising 4.3 percent of the Canadian population, their rate of growth represents a dramatic increase from 2.3 percent of the population in 1996. Urban growth for Indigenous Peoples is even more pronounced, increasing by almost 5 percent yearly over the same period.

For working age Indigenous Peoples (25–60) the general employment rate for those living on reserves is 51.9 percent compared to 65.8 percent off reserve and 81.6 percent of the broader Canadian population. Similarly, the yearly median income is lower for on-reserve Indigenous Peoples at \$14,000 compared to \$33,000 by the average Canadian. While the urban Indigenous population has seen improvements in closing the income gap, those on-reserve have seen virtually no progress over the last two decades.

Women

Over the past several decades, the increase in Canada's labour force participation rate has been principally driven by rising participation of women in the labour market. Rising educational attainment among women has been a key driver of boosting women's labour force participation and improved labour market outcomes. Their participation rate (74.2 percent in 2015) has been converging towards that of men (81.8 percent), and this advance has led to Canadian women having the highest participation rate in the G20. However, some women continue to experience challenges in certain areas of the labour market. Women's employment continues to be concentrated in the service industry, administrative, healthcare and social services work, and not in higher-paying fields such as management and natural and applied sciences. Additionally, a gender wage gap of 19 percent exists, placing Canada 28th out of 34 OECD countries. The Government of Canada recognizes the importance of gender equality as a priority and is working to achieve it.

Leaving No One Behind

Each of these groups faces obstacles which hinder their ability to participate in the development of stronger, healthier Canadian communities. To give these groups a real and fair chance to succeed, Canada is committed to enacting progressive policies that leave no one behind. The National Report for Habitat III outlines the way governments are working together to strengthen the middle class and those working to join it. By building safe, environmentally sustainable communities, with an emphasis on inclusive job growth and opportunities for all, Canada is creating better places to live today and for generations to come.

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Part II Land and Urban Planning

Sustainable Growth

Urban development policies, public and private investment, changing economic conditions and demographics all influence the spatial development of cities and the composition of neighbourhoods. Differences in income, tenure, and culture are often reinforced through physical and spatial separation of residential areas. Investments in features that increase sustainability, interconnectivity and social inclusion can have the dual effect of increasing the desirability of neighbourhoods and the cost of housing.

To increase environmental and social sustainability, Canada recognizes that a combination of policy, regulatory and financial tools can be used to increase the inclusivity and diversity. Having a range of housing options in neighbourhoods is one way to reduce segregation and increase diversity. Affordable housing programs and inclusive planning policies have been and remain mechanisms which enable modest and lower-income families to live in neighbourhoods which they could not otherwise afford. Canada's model of small scale, mixed income social housing has helped to contribute to diverse communities and increased social inclusion. Other policies like those supporting better public transportation have also made it possible for households with lesser means to remain in the city or to commute from lower cost suburban locations.

To continue to promote sustainable, inclusive growth, governments in Canada are engaging the public in more meaningful consultation, incorporating long term considerations into decision making and going beyond conventional land use planning through the practice of Sustainable Community Planning (SCP). This practice is characterized by its emphasis on integration among environment, social, economic and cultural aspects of community functioning, and the central role played by stakeholders and other members of the public. Moreover, SCPs tend to deal with a wider array of issues, normally outside the scope of conventional land use planning, including waste management, economic development, cultural expression, and community health. Many Canadian communities have adopted sustainability principles as the basis for their community land use plans and have approached other planning activities with a similar lens.

A challenge for any public participation process is hearing these diverse voices. Governments in Canada are committed to using a variety of approaches and tools to encourage fair and equal public participation. Involving all voices in the development of cities, including those of underrepresented groups, contributes to improved services, re-vitalized neighborhoods and communities, and greater safety and security for citizens.

Planning a Sustainable Canada Together

Canada recognizes the interdependencies among local, regional, and global processes as the basis for developing cities that are drivers of inclusive growth and environmental sustainability. Introduced more than a decade ago, the Federal Gas Tax Fund (FGTF) supports the ability of municipal governments to contribute their unique capacity to ensure Canadian cities are well planned, healthy places to live.

Since the introduction of the FGTF, the Government of Canada, provinces and territories have entered into agreements respecting the transfer of federal gas tax revenues for public infrastructure projects. The purpose is to deliver long-term, stable and predictable funding to municipalities to help them build and revitalize their local public infrastructure while creating jobs and long term prosperity.

Under P/T agreements, municipalities automatically receive these funds but are required to develop an Integrated Community Sustainability Plan for spending the funds. Smaller communities, in particular, have indicated that they lack corporate capacity to undertake these important planning activities. To assist with this challenge, Canada is investing significantly in a capacity-building fund to support the use of asset management best practices across Canada. Asset management plans guide how core infrastructure assets are to be built, renewed, operated, maintained and replaced. This type of planning helps to maximize the use of public dollars.

HABITAT FOCUS

Bois Ellen Co-operative Residence, Quebec

Bois Ellen Co-operative is a six-storey, 166 unit urban redevelopment that will house a mix of young families and independent but less-mobile seniors. The objectives for this residence are to achieve a 40 percent reduction over average energy use, increase thermal comfort and indoor air quality, and use durable low maintenance building elements, equipment and systems. The project used an Integrated Design Process (IDP) to develop an affordable, sustainable residence. IDP's are used in Canada to bring multiple stakeholders together into the decision making process to reflect multiple objectives and mutual interests. In this case, participants focused on the design of the building envelope, mechanical building systems, and the potential complementarity between systems that can further improve building performance and user comfort. Since the systems are in part controlled by the residents and metered individually, there is greater motivation to engage in energy-efficient habits.



This funding will be delivered through the Federation of Canadian Municipalities (FCM) and will strengthen capacity-building in communities for longer-term planning that supports strategic investments. Given the spatial dimensions of Canadian cities, one of the most important investments is connecting people through public transportation.

Addressing Urban Mobility Challenges

Addressing urban mobility challenges means enabling all citizens to benefit from urban prosperity. An important part of Canada's strategy to leave no one behind is enhancing the mobility of those in urban centres and connecting those in non-urban centres to the opportunities that cities offer. In the face of growing metropolitan populations, F-P/T and municipal policy makers have prioritized mobility because of its economic, social and environmental benefits to both rural and urban citizens alike. Canadian commuters spend over 25 minutes travelling to work daily, costing the Canadian economy \$10 billion annually in lost productivity. To further realize the benefits of urban-rural linkages, all three levels of government are involved in investing in transportation infrastructure.

To improve and expand public transit systems across Canada, and as part of a larger 10 year infrastructure plan, the Government of Canada proposes to immediately invest significantly in public transit over the next three years. Funding will be provided through a new Public Transit Infrastructure Fund and allocated to municipalities based on the share of national public ridership. Recognizing the importance of these investments for both cities and the strength of the country, the Government of Canada has pledged to increase contributions for this infrastructure program from a third of funding to up to half of project costs.

HABITAT focus

Creating Connections Project

Through the Creating Connections project, the Government of Canada is partnering with the Government of Ontario's municipal organization, Elgin St Thomas Public Health, and local developers to improve walkability in the City of St. Thomas. Families, community members and municipal officers are engaged in a process of identifying and prioritizing physical infrastructure improvements that will be implemented by developers in designated neighbourhoods in order to enhance walkability and health.



Part III Environment and Urbanization Leadership in Climate Policy

A clean environment is closely tied to quality of life, local resilience and the social and economic opportunities available in cities and communities. From reducing greenhouse gas (GHG) emissions to transforming the way we live, work and move around our communities, Canada is committed to being a climate leader as part of an ambitious vision for the future. When it comes to issues like climate change, a significant challenge that will affect every community in different ways, an integrated partnership among all governments is required.

Canadian cities and communities have the potential to supply between 20 and 55 megatonnes of GHG reductions which has a direct or indirect influence on close to 50 percent of GHG emissions in Canada. Leading local authorities across Canada are taking advantage of this to combat climate change while addressing a host of other challenges including food security, air quality and traffic congestion.

To support municipalities' front-line efforts, the Government of Canada has announced substantial new funding for local governments to address climate change, to be delivered by FCM. This investment will support municipality-led projects to identify and implement GHG reduction opportunities. It will also support the assessment of local climate risks, and the integration of these impacts into asset management plans.

In addition, Canada will provide financial assistance to FCM to enhance the Green Municipal Fund, including for projects that reduce GHG emissions. This Fund finances innovative municipal green infrastructure priorities.

Transportation and Climate Change

Beyond city borders, the Government of Canada is committed to take action on climate change through countrywide solutions. In March of 2016, the Vancouver Declaration on clean growth and climate change was released by the Prime Minister and his provincial and territorial counterparts. It is the first step in developing a pan-Canadian framework on clean growth and climate change that will reduce emissions, increase Canada's resilience to the impacts of climate change, and put Canada on a path toward long-term clean growth. This framework will also help Canada achieve its international commitments, including meeting or exceeding Canada's 2030 Agenda target of a 30% reduction below 2005 levels of emissions. Carbon pricing, investments in clean technology, the adoption of additional measures to reduce emissions, as well as measures to enhance adaptation and climate resilience will be cornerstones in the transition to a stronger, more resilient low-carbon economy while also improving quality of life for Canadians.

At 23 percent of emissions, the transportation sector represents the second largest source of GHG in Canada. By 2030, on-road passenger emissions are expected to drop significantly to 40 percent of transportation emissions, while road freight emissions are projected to grow to 36 percent of transportation emissions by 2030, largely attributable to growth in freight activity and a continued predominance of carbon-intensive fuels in heavy-duty vehicles.

HABITAT FOCUS

The Green Municipal Fund

The Green Municipal Fund (GMF) is a unique program supported by FCM that provides funding and knowledge services to support sustainable community development in municipalities across Canada.

GMF-supported initiatives aim to improve air, water, and soil, and mitigate the impacts of climate change. The GMF offers grants for feasibility studies and planning as well as grants and low interest loans to municipalities for project implementation in five sectors of activity including brownfields, energy, transportation, waste and water. These initiatives provide significant environmental benefits, a strong business case and social advantages, complemented by local policies and measurement systems.



Canada will invest significantly over the next five years to address these climate change and air pollution issues. This funding will:

- **support the development of the pan-Canadian Framework, including a Low Carbon Economy Fund;**
- **help Canada begin to meet its international obligations to the Paris Agreement on Climate Change commitments under the 2030 Agenda for Sustainable Development;**
- **take action to reduce emissions from Canada's largest sources: transportation and energy;**
- **advance science and programming activities to better understand and adapt to the changing climate; and**
- **enable evidence-based decisions to address air pollution.**

Further, the Government of Canada will leverage science and new technologies by investing in:

- **clean technology research, development and demonstration activities. This includes investing in research, development and demonstration of new clean technologies to accelerate the innovation required to bring these technologies closer to commercialization;**
- **the SD Tech Fund™ which will enable Sustainable Development Technology Canada to announce new clean technology projects in 2016 that support the development and demonstration of new technologies that address climate change, air quality, clean water, and clean soil;**
- **research, development and demonstration of clean energy technologies. These resources will accelerate the innovation required to bring clean energy technologies closer to commercialization, reducing the environmental impacts of energy production and creating clean jobs; and**
- **local clean technology activities through supporting economic and community development initiatives.**

Housing and Climate Change

Canada's residential sector creates more than 66 Megatons of GHGs, including electricity emissions. Looking ahead to 2030, most of the 13 million residences standing today will still function as Canadian dwellings. Energy efficient homes protect the planet as well as the pocket books of home owners. Increasing the energy efficiency of housing has the dual benefits of helping reduce greenhouse gas emissions and the cost of heating and cooling over the long term, making housing more affordable. Retrofits for energy efficiency provide a reliable and achievable means to reduce greenhouse gas emissions, generate economic activity, and improve the long-term viability of affordable housing.

Many of Canada's 570,000 social housing units are older, equipped with less efficient energy and water systems and are urgently in need of repairs. To support necessary retrofits and renovations, Canada is making significant investments which will help address the increasing demand for repairs as social housing units age, and improve efficiency and reduce energy use, lowering utility costs and making housing more affordable. By improving water and energy efficiency, this investment will also help the social housing sector contribute to Canada's overall plan to reduce greenhouse gas emissions.

HABITAT FOCUS

Urban Ecology Home, Winnipeg

As one of the winners of Canada Mortgage and Housing Corporation's (CMHC) EQUilibrium™ (EQ) Sustainable Housing Demonstration Initiative, Winnipeg Housing and Rehabilitation Corporation's Urban Ecology Home recognizes the importance of affordable housing design in combatting climate change. EQ was a national initiative to design, build and demonstrate sustainable homes that address occupant health, energy efficiency, renewable energy production, resource conservation, reduced environmental impact and affordability. The Urban Ecology home includes a highly insulated, airtight building envelope, passive solar design and a four panel flat plate thermal solar collector system which provides hot water for domestic use and for the in-floor hydronic space heating in the basement. Water conserving fixtures and rainwater harvesting from roof runoff for landscape irrigation help reduce potable water use. The site design incorporates native plant species and rain gardens to reduce irrigation needs.



Air Pollution

The Government of Canada is committed to the health and well-being of all Canadians. Air pollution harms the environment, the health of Canadians, and costs the Canadian economy \$5 billion annually in lost economic productivity. While progress is being made to address emissions from domestic sources (i.e. industry and vehicles) and from trans-boundary sources, air pollution remains a concern.

Canada will provide substantial funding over the next five years to take action to address air pollution across the country. The funding will allow the stakeholders to monitor and conduct research on air pollution sources as well as health and environmental impacts; report to Canadians on air pollution sources and on local, regional and national air quality; administer and enforce existing regulatory and non-regulatory instruments to reduce air pollution; and maintain the economic and policy capacity to develop new policy approaches and regulatory instruments to improve air quality.

Disaster Risk Reduction and Relief

In the face of climate change, communities are increasingly vulnerable to large scale disasters. In addition to an ambitious vision for climate leadership, the Government of Canada is building safer, more resilient communities. This includes the establishment of the National Disaster Mitigation Program (NDMP). The NDMP addresses rising flood risks and costs, and builds the foundation for informed mitigation investments that could reduce, or even negate, the effects of flood events.

Governments recognize that these challenges can only be effectively addressed when we work together. This year, ministers from coast to coast to coast have begun collaborative work to develop an Emergency Management Plan. In support of these efforts, the Government of Canada has committed to restore federal support to Heavy Urban Search and Rescue (HUSAR). Beginning in 2016–17, funding will be allocated to HUSAR task forces in Vancouver, Toronto, Calgary and Manitoba, as well as to work with provinces to expand this capacity in underserved regions.

Part IV Secure Communities

Building a Safe City for All

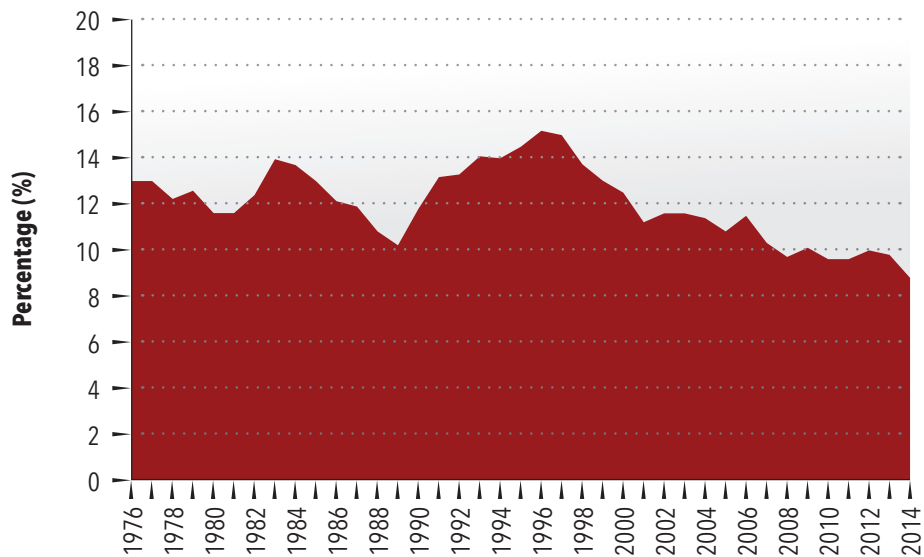
Creating a safe space for Canadians extends beyond disaster relief planning. From the LGBTI community to underrepresented groups across the country, creating cities of opportunity means ensuring Canadian urban and rural spaces are both safe and socially inclusive for all citizens.

Poverty Reduction Strategy

It is widely recognized that increasing support for low-income families can generate long-term positive effects. Poverty is not just a problem for individual Canadians; all of Canada is impacted. Poverty is particularly challenging in the case of children and youth. When children and youth are lifted out of poverty, they are better able to develop to their fullest potential, an opportunity that every Canadian deserves.

Working collaboratively, governments are committed to enhancing the income security of all Canadians. The overall rate of low income has declined significantly in recent years from 15.2 percent in 1996 to 9.7 percent in 2013. However, much work still remains. Income inequality between the highest income earners and the rest of Canadians continues to grow. Recognizing that poverty is a complex issue, the Government of Canada is currently developing the Canadian Poverty Reduction Strategy that will set targets to reduce poverty while publicly measuring and reporting on this progress.

Figure 2
Low Income Persons in Canada
 (Low Income Cut-Off After-Tax, 1992 Base Year)
 1976-2014



Source: Statistics Canada, CANSIM Table 206-0041

Safety for Women

Creating urban centres where every citizen can live in safety is an important part of developing inclusive cities. This is particularly important for groups such as Indigenous Peoples, women, and those without adequate shelter. While both men and women can be victims of family violence, the reality is that women (and children/youth) are more frequently the victims. Experience has shown that a number of means can and should be considered to stem this societal problem. An important component of these measures is to provide an opportunity for women to remove themselves from immediate danger.

For Indigenous women, factors such as intergenerational cycles of abuse and violence that are community-wide and linked to historic trauma, have resulted in situations where victims are sometimes actively discouraged from speaking out. The premise of this initiative is that many Indigenous women find themselves in marginalized situations, without support networks, as a result of difficult circumstances at home. To address these issues, Canada is committed to the development of efficient, integrated approaches to prevent abuse and allow for healing. Programs support the development of local capacity through training, support for community developed safety plans and the integration of holistic, Indigenous healing models.

Looking ahead to the future, Canada is committed to further addressing these issues through substantial investments towards:

- **further construction and renovation of shelters and transition houses for victims of family violence. This unprecedented investment is expected to support the construction or renovation of over 3,000 shelters spaces over the next two years;**
- **renovation and construction of new shelters for victims of family violence in First Nations communities; and**
- **additional funding to better support shelters serving victims of family violence living in First Nations communities.**

To address the systematic causes of these issues, the Aboriginal Community Safety Planning Initiative is structured to link community solutions with policy development. The starting points are appropriate community-based projects taking into account the safety needs of Indigenous women and girls. The end points are increased knowledge within communities and government as well as effective and appropriate government policies. Funding is focused on developing community capacity (i.e. both training and information/knowledge development and dissemination) and supporting community based projects designed to support strategic responses to community safety.

Canada is also devoting financial resources towards the National Inquiry into Missing and Murdered Indigenous Women and Girls. In addition to being an important step towards a renewed sense of trust between governments and Indigenous Peoples in Canada, this Inquiry is important to identifying what actions are needed to respond to violence against Indigenous women and girls and to work towards preventing future violence.

Safety for Indigenous Communities

More broadly, creating safe environments in Indigenous communities remains an important objective for Canada. The Northern and Aboriginal Crime Prevention Fund (NACPF) assists communities experiencing multiple risk factors and other challenges that affect their ability to respond to crime issues, such as remote geographical location and limited capacity. The program provides time-limited funding to support culturally sensitive initiatives that foster the development and implementation of crime prevention approaches in Indigenous communities, both on- and off-reserve and in the North. In addition, it assists building the knowledge and capacity required to develop or adapt culturally sensitive, effective ways to prevent crime.

The NACPF is committed to the implementation of culturally sensitive crime prevention practices among Indigenous populations. Increased programming and support will target known risk and protective factors to reduce offending among at-risk children and youth, and high risk offenders in communities.

Creating healthier, stronger communities also means giving Indigenous at-risk youth alternatives to the cycle of violence. The Youth Gang Prevention Fund (YGPF) specifically targets youth in urban centres with a demonstrated history of serious violence, vulnerability to gang influence, or existing participation in gangs. The objectives of the YGPF are to reduce serious youth violence and youth gang threats in communities by supporting targeted initiatives that address specific risk and protective factors associated with youth violence and youth gangs in communities where these issues exist and provide those young people with viable alternatives.

Part V Urban Economy

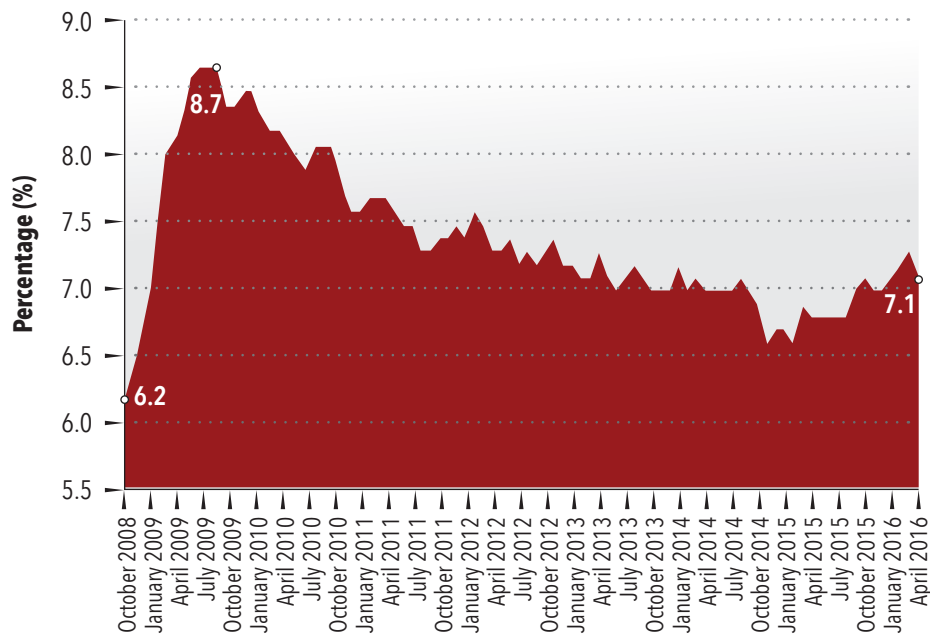
Job Creation for Future Prosperity

The fragile and uncertain global commodity decline has weighed on Canada's economy. Over the last four years, growth in Canada has slowed to below 2 percent on average and the sharp decline in global crude oil prices since the end of 2014 has placed more significant downward pressure on the economy. These external pressures have been felt across the country including in Canada's major urban centres.

While the Canadian economy created 144,000 new jobs in 2015, the unemployment rate increased from 6.6 percent in January 2015 to 7.1 percent in March 2016 due to labour force growth exceeding the job creation rate. Canadian exports also slowed in the fourth quarter of 2015, dropping by 0.6 percent. Going forward, economic growth will be dependent on several factors including resource values, the strengthening U.S. economy, depreciation of the Canadian dollar, and the ongoing impacts of recent monetary and fiscal policy actions.

In an environment of sustained economic weakness and historically low interest rates, fiscal policy is the right policy lever to use to support long-term growth. The Government of Canada strongly believes that the best way to deliver more prosperity to more Canadians is by investing in the economy today.

Figure 3
Unemployment Rate in Canada
 2008-16



With a low debt burden and favourable interest rates, Canada is well positioned to invest in our future. Investing in things like better roads and public transit will help to move the people and the products that help grow the Canadian economy. Whether it is expanded public transit or infrastructure that will help mitigate the effects of climate change or build stronger communities that feel like home, all citizens will also benefit from these investments.

Investing in Infrastructure

Investing in infrastructure creates good, well-paying jobs that can help the urban middle class grow and prosper today. By making it easier to move people and products, well-planned infrastructure can deliver sustained economic growth for years to come. At the same time, new challenges have emerged that make the need for investment more acute: things like the rapid growth of Canada's cities, climate change, and threats to our water and land.

Canada has announced a historic plan to invest in infrastructure over 10 years, to meet the needs of Canadians and better position the economy for the future. The plan will be implemented in two phases.

Governments are working together to implement Phase 1, a short-term plan to immediately invest in the infrastructure Canadians need through existing programs and mechanisms. These investments will modernize and rehabilitate public transit, water and wastewater systems, provide affordable housing, and protect existing infrastructure from the effects of climate change.

Phase 1 focuses primarily on infrastructure investments over the next two years including:

- **upgrading and improving public transit systems across Canada;**
- **investments in water, wastewater and green infrastructure projects across Canada; and**
- **social infrastructure, such as affordable housing, early learning and child care, cultural and recreational infrastructure, and community health care facilities on reserve.**

In addition to the new funding announced in 2016, Canada will support the infrastructure priorities of communities across the country through funding for municipal infrastructure projects through the Gas Tax Fund and the incremental Goods and Services Tax Rebate for Municipalities (see *Part II* for additional details). Furthermore, it will accelerate spending under the new Building Canada Fund and other existing infrastructure programs.

The federal Department of Finance estimates that these and other measures will raise the level of real gross domestic product by 0.5 percent in the first year and by 1.0 percent by the second year. This means well-paying jobs for Canadians in urban centres at a time when they need it most.

Phase 2 will deliver on the remaining eight years of the Government of Canada's long-term infrastructure plan. In this phase, the goals will be broader and more ambitious: a more modern, cleaner economy; a more inclusive society; and an economy better positioned to capitalize on the potential of global trade. In line with the COP21 commitments, this second phase will be used to demonstrate how climate considerations go hand in hand with the transition to a low-carbon economy and make investments across three streams: green infrastructure, social infrastructure and public transit. Phase 2 will make Canada's largest cities better places to live, through cost effective, sustainable, integrated transportation networks. It will also aim to deliver fast, efficient trade corridors that allow Canadian exporters to benefit fully from international trade.

Creating Equality of Opportunity

Building a fair and equal society means equipping Canadians with the education, skills and labour market access they need to succeed.

Building a fair and equal society means equipping Canadians with the education, skills and labour market access they need to succeed. In the urban environment underrepresented groups face several obstacles to employment, and some individuals stay disconnected from the labour market regardless of economic conditions. Although a number of targeted measures exist to support under-represented groups, the unemployment rate continues to be high for some cohorts. Looking ahead, Canada's long-term prosperity will depend on the labour market participation of its citizens. To directly support inclusive cities and higher labour force participation, particularly of under-represented groups, Canada is putting in place additional measures.

Youth

Canada recognizes that Indigenous youth, immigrant youth and youth who are neither in education, employment nor training (NEET) may require assistance. Governments are working collaboratively to combat many of the challenges faced by these demographics. The Youth Employment Strategy (YES) represents the Government of Canada's commitment to help young people aged 15–30 obtain the information and gain the skills, job experience and abilities needed to make a successful transition to the workplace. YES includes three program streams:

- *Skills Link* helps young people who face more barriers to employment than others develop basic employability skills and gain valuable job experience to assist them in making a successful transition into the labour market or to return to school.
- *Summer Work Experience* (including Canada Summer Jobs) provides wage subsidies to employers to create summer employment for secondary and post-secondary students. This includes creating new green jobs for youth, to help young Canadians gain valuable work experience, learn about our natural environment and contribute to economic growth in environmental sectors.
- *Career Focus* assists post-secondary graduates' transition to the labour market through paid internships, and helps to provide youth with the information and experience they need to make informed career decisions, find a job and/or pursue advanced studies.

As part of its vision for the future, the Government of Canada is fostering a people centred approach to its youth policy by engaging in dialogue with young Canadians. The Prime Minister will lead a Youth Advisory Council consisting of young Canadians aged 16–24 from diverse communities and from all regions of Canada. The Council will provide non-partisan advice to the Prime Minister on key issues such as employment and education, building stronger communities as well as climate change and clean growth. Additionally, an Expert Panel on Youth Employment will be created to assess the barriers faced by vulnerable youth in finding and keeping jobs, and to examine innovative practices used by governments, non-governmental organizations and employers both at home and abroad to improve job opportunities for vulnerable youth. The Panel's findings will help inform future investments in this area, including enhancements to the YES.

Older Workers and Seniors

For the first time in Canada's history, there are more seniors over the age of 65 than there are children under the age of 15. Creating healthy, inclusive, and age-friendly communities means addressing the particular challenges faced by seniors. Age-friendly communities is an approach for creating built and social environments where policies, services and structures are designed to support and enable older people to enjoy good health, participate actively and live safely. Canada promotes health and preventing illness and injuries among older adults through best practices, facilitates surveillance and research activities, and develops and disseminates resources related to injury prevention, seniors' mental health and age-friendly communities.

In May 2016, delegates of the World Health Assembly (including Canada) approved a resolution to implement the global strategy and action plan on ageing and health 2016–20, which aligns closely with the 2030 Agenda for Sustainable Development Goals. The aim of the strategy is for every country to commit to action on healthy ageing. It calls for the development of age-friendly environments and the alignment of health systems to the needs of older populations. It envisages the development of sustainable and equitable systems of long-term care, and improved measurement, monitoring and research. Finally, it emphasizes equity and human rights, including the important role of involving older adults in all decisions that concern them.

Augmenting healthy living spaces with financial stability represents an important element of any inclusive community. To address these issues, Canada provides a Guaranteed Income Supplement to seniors at risk of experiencing financial difficulties. In further protecting the most vulnerable, the Federal Government recently increased the GIS benefit, improving the financial security of seniors across the country.

Beyond broad social supports, Canada is addressing the particular challenges of older workers in finding new employment, and gaining valuable experiences can greatly contribute to the labour force and the future prosperity of the country. Additional capacity building for older workers is developed through the Targeted Initiative for Older Workers (TIOW) program. TIOW is a successful F-P/T cost-shared initiative which supports unemployed older workers (typically age 55 to 64) living in small, vulnerable communities of 250,000 or less, to reintegrate into the labour market and/or improve their employability.

TIOW projects provide a range of group-based employment assistance services (resume writing, counseling, interview techniques, and job search assistance) and employability improvement activities (skills upgrading/training, work placements, and self-employment assistance). Under TIOW, P/Ts are responsible for targeting specific communities for interventions as well as for designing and delivering projects that meet their local labour market situations and client needs.

The Government is also supporting the creation of new research evidence, which could help guide new policies in this area. The Healthy and Productive Work Initiative will respond to the changing Canadian workforce. This includes the differing needs of men and women; balancing caregiving responsibilities, retaining older Canadians in the workforce; physical and mental conditions experienced by workers; and the relative underemployment of persons with disabilities. The Healthy and Productive Work Initiative will respond to these challenges and opportunities, bringing together researchers and stakeholders to develop innovative and new approaches that support the health and productivity of Canada's diverse and changing workforce. The initiative supports the development, implementation, evaluation and scaling up of evidence-based interventions (e.g. accommodations, tools and policies) taking into consideration sex, gender, age, and physical and mental health to foster healthy, meaningful and productive work for all workers.

Persons with Disabilities

Many Canadians with disabilities continue to experience challenges securing gainful employment and persons with developmental disabilities face unique barriers to employment despite being willing and capable of participating in a competitive labour market. In order to more fully address these challenges, Canada is committed to introducing federal accessibility legislation. This legislation will eliminate systematic barriers and deliver equality of opportunities to all Canadians living with disabilities.

Support for the economic and social integration of Canadians with disabilities is made through the Labour Market Agreement for Person with Disabilities (LMAPD). LMAPDs give P/Ts the flexibility to determine their own priorities and approaches to best address the needs of persons with disabilities in their jurisdictions, with the objectives of enhancing the employability of persons with disabilities, increasing the employment opportunities available to persons with disabilities, and demonstrating the best possible results for Canadians on these investments. Through the LMAPDs, P/Ts offer a wide range of supports, including job coaching, employment counselling and workplace accommodations.

Moving forward, there is broad support for a number of initiatives to support organizations specializing in the development of accessible facilities, training and enterprise engagement programs for persons with disabilities. More broadly, the support is provided for the Canadian Business SenseAbility disability forum which helps increase employment for persons with disabilities through the facilitation of education and the sharing of resources and best practices among Canadian businesses.

Welcoming the World: Working Together to Build an Inclusive Society

Canada is a nation built from the ground up by immigrants and refugees. We have a proud history of opening our arms and our borders to those most in need. With millions of people fleeing their homes, Canada is working closely with partner organizations, including UN agencies and the International Committee of the Red Cross, to help meet the immediate, life-saving needs of populations affected by humanitarian crises around the world. Through a collaborative effort with civil society, municipal and P/T governments, NGOs and the private sector, Canada is proud and fortunate to have resettled 25,000 Syrian refugees from November 2015 to February 2016. By the end of 2016, the country expects to have welcomed over 44,000 refugees in total, including 17,800 privately sponsored refugees. Like all new citizens to Canada, these migrants and refugees fill skills gaps and labour market shortages, address some of the challenges associated with an aging population, increase international trade, draw in investment from around the world, and contribute to Canada's strength of diversity.



Immigrants

Canada recognizes that its future success is largely driven by attracting talented people from around the world. The diversity in urban centres not only brings its own social rewards, but with an ageing population, having a robust, effective, and efficient immigration system is critical to its long-term economic growth. Creating inclusive urban environments where immigrants can freely express their cultural uniqueness is fundamental to our multicultural identity. The country's diversity and connections to the world are amongst its greatest assets in an increasingly interconnected world. For this reason, governments are placing a high priority on the effective settlement and integration of newcomers to ensure the nation's ongoing prosperity and well-being. Through inclusive laws and policies and investments in settlement and integration services, Canada helps to set an inclusive and enabling environment for successful immigrant integration.

Recognizing that the key to maximizing the benefits of immigration is ensuring that newcomers have the information, tools and opportunities to realize their potential and become fully engaged in all aspects of Canadian society, Canada is increasing its investments in immigration. These significant commitments are helping a greater number of immigrants contribute and thrive in the Canadian economy, addressing the need for Syrian refugee resettlement, reducing application processing times and achieving higher overall admission levels without reducing health and safety standards.

Canada's Settlement Program helps newcomers overcome barriers to integration and participate fully in Canada's labour market. The program assists immigrants and refugees in finding meaningful employment that matches their skills, qualifications and work experience to help them become contributing members of Canadian society. Services can be accessed pre-arrival in over 40 countries, as well as post-arrival, and include: occupation or job specific language training, bridge-to-work programs, mentoring, internships, orientation to Canadian workplace culture, immigrant networking sessions with employers and peers, and path-finding referral services for foreign credential recognition, licensure and alternative careers.

The P/Ts play a major role in providing much-needed support to newcomers including health and education systems, training, employment, social services, housing, legal aid and social assistance. The Government of Canada also works with P/Ts to facilitate foreign credential recognition and to improve labour market access for newcomers.

Indigenous Peoples

The renewal of the relationship with Indigenous Peoples is a key objective for Canada. The Federal Framework for Indigenous Economic Development focuses on programs, legislation and partnership, in order to increase the participation of First Nations, Inuit and Métis peoples in the Canadian economy, as well as improve economic outcomes for Indigenous Peoples across Canada. A key priority of the Framework is to support demand-driven labour market needs with strategic investments in human capital development to prepare the young and growing Indigenous population for jobs.

Improving the participation of Indigenous Peoples in the economy through projects aimed at enhancing their skills development, knowledge, and social inclusion in Canadian urban centres is a key objective. Federal programs include:

- **the *Urban Partnerships Program* seeks to support partnerships that remove barriers and increases the participation of urban Indigenous individuals and communities in the economy;**
- **the *Community Capacity Support Program* provides operational funding to urban Indigenous community organizations to attract contributions and assist in delivering programs and services that support the increased urban Indigenous participation in the economy; and**
- **Friendship Centres, which facilitate the transition of Indigenous Peoples from rural, remote and reserve life to an urban environment by connecting them to culturally based socio-economic programs and services.**

For Indigenous youth, the First Nations and Inuit Youth Employment Strategy (FNIYES) is part of Canada's effort to enhancing Indigenous Canadians' education, participation in the labour market and economic success. Each year, more than 600 First Nations and Inuit communities design and implement projects with the aim of enhancing essential employability skills, gaining exposure to a variety of career options and gaining work and study opportunities.

HABITAT FOCUS

Diverse Voices for Change Initiative

The United Nations defines 30 percent female representation as the minimum requirement for policy to reflect women's concerns. With the support of Status of Women Canada, the Federation of Canadian Municipalities' new program seeks to reach this target of women from diverse communities who are actively informed by, and engaged in, local government decision-making. In collaboration with five participating municipalities, FCM is working to support elected officials engaging with urban Indigenous, racialized, and under-represented immigrant women in creating more inclusive advisory committees, local agencies, boards, and commissions.



Women

Canada recognizes the importance of gender equality as a priority. Advancing the opportunities and inclusion for women across a range of occupations will work to strengthen the economy over the long term and create a more fair and equal society. Women in Canada continue to make significant progress in leadership positions of elected office as well as both the private and public sectors. Going forward, the Government of Canada has recommended a goal of 30 percent women's participation on boards by 2019 and is mobilizing the public and private sectors to achieve it. To address this issue the Government is undertaking a comprehensive response that includes labour reform to better accommodate flexible work arrangements, investment in child care and the promotion of women in male-dominated work occupations, such as the skilled trades.

Female entrepreneurs are also gaining ground. However, there continue to be barriers to women accessing funds to grow their businesses. Building on existing efforts, Canada provides funding to Status of Women Canada to increase mentorship among women entrepreneurs, and to conduct consultations to determine how best to support women to start and grow their businesses.

Cities of Innovation

For Canadian cities to become places of opportunity and global innovation, more of the country's creative entrepreneurs and innovative companies will need to seize global market opportunities to grow their businesses. These firms can help propel clean economic growth, increase national productivity and support well-paying jobs for the middle class. As Canada continues to develop its Innovation Agenda, interim actions are being taken to support innovative and growth-oriented businesses in cities to help them reach their potential and to help firms put innovation at the core of their business strategy.

Looking ahead to the next five years, Canada is investing heavily to support innovation networks and clusters. This support will catalyze private sector dynamism, generate greater value from public investments in innovation and enable the pursuit of ambitious initiatives that bring a critical mass of stakeholders together and connect their ideas to the marketplace.

Part VI Housing and Basic Services

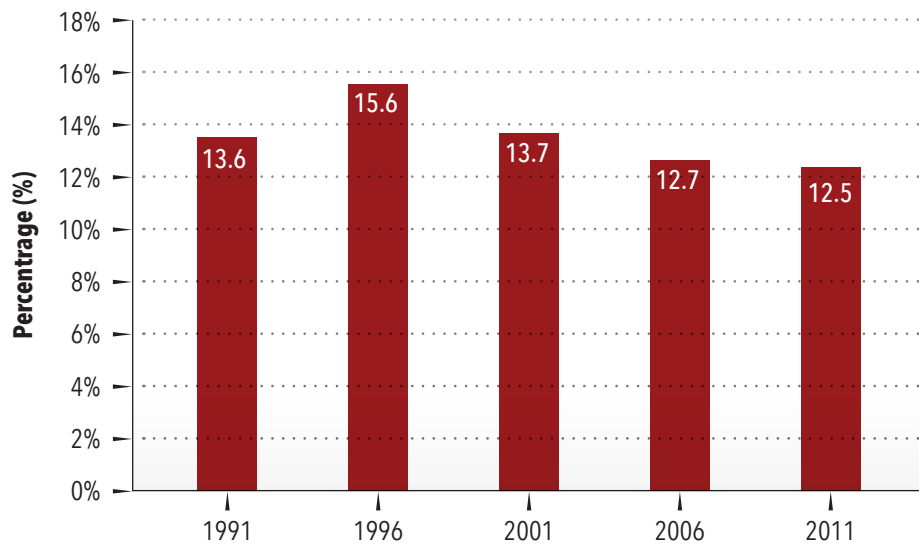
A Better Future

Stable, affordable housing is a foundation for healthy living and a building block for success in other areas such as education, the labour market and community engagement. In Canada, most households are able to meet their housing needs through the housing market. However, there are some households that cannot find affordable, suitable accommodation in the market and face unmet housing need. Canada uses a measure of core housing need to understand the nature and scope of housing needs across the country. A household is said to be in core housing need if its housing falls below at least one of the adequacy, affordability or suitability standards and would have to spend 30 percent or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards).

The incidence of core housing need in Canada has improved over the past two decades. In 2011, 12.5 percent of Canadian households were in core housing need, down from 13.7 percent in 2001 and 15.6 percent in 1996. Certain groups are more likely to live in housing that does not meet one or more of the three core housing need standards. For example, seniors who live alone, lone-parents, recent immigrants, persons with disabilities and Indigenous households all have a higher average incidence of core housing need.

Housing affordability is by far the most common reason for households falling into core housing need, affecting almost 90 percent of households in need. For the average Canadian household, housing costs amount to a little over one-fifth of total income, but for those who find themselves in the bottom 20 percent of income earners, housing costs are a much greater burden, claiming closer to 40 percent of their income. This can make for difficult choices for low-income households. By reducing the resources available for other necessities – like food, healthcare and education – high shelter costs can make it harder for families to stay healthy and to support their children's education and development.

Figure 4
Incidence of Core Housing Need by Year in Canada
1991-2011



Affordable Housing Programs

Working with federal partners, provincial/territorial governments, non-profit and co-operative housing groups and the private sector, the Federal Government provides assistance to low-income households, seniors, people with disabilities, people at risk of homelessness and Indigenous Peoples by improving access to affordable housing.

Canada invests in initiatives to help Canadians in need access affordable, sound and suitable housing. These funds support close to 600,000 households that depend on social housing support, both off and on-reserve. Social housing is an umbrella term that refers to government-subsidized housing funded under about a dozen federal programs developed from the 1940s to the early 1990s to meet a range of policy objectives, including: housing for returning war veterans, urban renewal, increasing affordable housing supply, promoting mixed-income housing projects and helping households in core housing need. Approximately 80 percent of this existing social housing in Canada is administered

by provinces and territories. The remaining 20 percent is administered by Canada Mortgage and Housing Corporation on behalf of the Federal Government and includes the on-reserve portfolio and certain federally funded housing units off-reserve, such as housing cooperatives.

Since 2011, new federal funding for affordable housing has been provided through the Investment in Affordable Housing (IAH). Under this initiative, provinces and territories match federal investments and have the flexibility to design and deliver programs that are tailored to address their local housing needs and pressures.

Today, governments are making significant investments in affordable housing which will provide targeted support to those who need it most. To give Canadians greater access to more affordable housing, the Government of Canada is expanding funding to affordable housing projects. This includes increased support for projects which benefit seniors, support energy and water efficiency retrofits and renovations of existing social housing, stimulate the construction of affordable rental housing, reduce homelessness and build the capacity of shelters for victims of violence. A significant portion of this investment will be allocated to P/Ts, which can identify communities where the need for affordable housing is greatest. The Government of Canada also announced two new initiatives to stimulate the construction of affordable rental housing – an innovation fund and financing initiative to be administered by the Canada Mortgage and Housing Corporation.

Strengthening and Improving Access to Housing Finance

The housing finance system in Canada provides access to mortgage financing at a competitive cost while functioning within a regulatory framework focused on the control of risk through prudent underwriting. An important feature of this framework is the requirement for mortgage loan insurance (MLI) coverage on mortgages with a loan-to-value ratio over 80 percent issued by most regulated financial institutions. MLI helps protect lenders against mortgage default, and enables consumers to purchase homes with a minimum down payment of 5 percent, with interest rates comparable to those with a 20 percent down payment. The MLI market is served by CMHC and two private mortgage insurers, and benefits from an explicit government guarantee.

While Canada has a robust housing finance system overall, vulnerabilities exist. Large increases in home prices in certain cities make it challenging for new buyers to purchase a home, and a relatively high level of household debt increases risks to financial stability. Despite these trends and uncertainty in global economic conditions, residential mortgage arrears rates in Canada remain low and credit scores are strong.

Focusing on access to financing for affordable housing options, CMHC's multi-unit MLI for non-owner-occupied properties facilitates the financing of rental housing, including retirement housing for senior citizens. Rental housing can be an important affordable alternative to homeownership for households who cannot afford ownership, are saving for a down payment, or those with short-term local housing needs. MLI for rental housing makes it easier for investors to obtain financing at competitive rates to build new rental units or to purchase and renovate existing rental housing

To further encourage the construction of affordable rental housing, Canada is investing heavily in a new Affordable Rental Housing Innovation Fund. This fund will be used to test innovative business approaches—such as housing models with a mix of rental and homeownership units and a range of incomes—to lower the costs and risks of financing affordable rental housing projects. This investment is expected to support the construction of up to 4,000 new affordable rental housing units over five years.

Homelessness

As part of its vision for the future, Canada is committed to supporting underrepresented Canadians, including those who are homeless or at-risk of homelessness. The Homelessness Partnering Strategy (HPS) is a community-based program aimed at preventing and reducing homelessness by providing direct funding to communities across the country to support their efforts in addressing local needs and specific homelessness priorities.

The HPS provides direct funding to 61 designated communities – mainly urban centres – as well as to Indigenous, rural and remote communities across Canada to support their efforts in addressing homelessness.

To strengthen the work of communities in efforts to address their varied needs and initiatives, as well as to help homeless Canadians find stable housing, Canada announced additional funding for the Homelessness Partnering Strategy over two years. This substantial new commitment builds on the program's existing five-year investment with a focus on targeted community needs and continued support for the Housing First approach.

HABITAT FOCUS

Salus Passive Affordable Housing, Ottawa

Ottawa Salus is building a Passive House and LEED for Home Platinum status 42-unit project to provide housing for individuals living with mental illnesses in Ottawa. This house allows for heating and cooling related energy savings of up to 90 per cent compared with typical building stock and over 75 per cent compared with average new builds. Passive Houses use less than 1.5 litres per square meter of living space per year - far less than typical low-energy buildings. Similar energy savings have been demonstrated in warm climates where buildings require more energy for cooling than for heating. The lower operating costs contribute to the long term affordability of the housing. This project is one of the first affordable housing passive house project that is located in a Northern climate.



Housing First is a proven, evidence-based approach that involves moving individuals, particularly those who are chronically or episodically homeless, from the streets or homeless shelters directly into permanent housing. Permanent housing is complemented by the provision of services to assist clients to sustain their housing and work towards recovery and reintegration into the community.

The Government of Canada is one partner among many. P/Ts, municipalities and other stakeholders also contribute to the reduction of homelessness. Acting as a catalyst, Government of Canada investments have supported communities in successfully leveraging resources from a range of partners to complement their homelessness projects under the Homelessness Partnering Strategy.

National Housing Strategy

Adequate housing contributes to an improved quality of life and sets the conditions for broader social and economic success. The significant investments in affordable housing are part of Phase 1 of Canada's 10-year Social Infrastructure Fund (SIF), and are designed to support immediate improvements in housing. Consultations on a National Housing Strategy will help determine longer-term approaches and future investments for Phase II of the SIF plan.

A key goal of the National Housing Strategy is to identify innovative solutions to Canada's most important housing challenges, including how to provide the most vulnerable residents with stable housing, build affordable housing for Canada's changing demographics and offer more housing options in non-market areas, such as Indigenous and Northern communities.

Canada is undertaking broad engagement with citizens through consultations with provinces and territories, Indigenous and other communities, key stakeholders and housing experts to determine long-term approaches and future investments to respond to housing needs and pressures through a National Housing Strategy. This comprehensive strategy will cover the entire housing continuum, from shelters to social and affordable housing, to market housing, with a goal of ensuring all Canadians, including those who are most vulnerable, have access to housing that meets their needs and that they can afford.

Housing for Indigenous Peoples

The housing conditions of First Nation communities living on reserve, Inuit and Northern communities continue to be challenging. On-reserve Indigenous households are more likely to live in housing in need of major repair compared to all households in Canada. Inuit and Northern communities face challenges in delivering housing options to fast growing populations. In addition, harsh climate conditions and remoteness put pressure on their housing infrastructure.

Investing in social infrastructure in Indigenous communities is a key pillar of the Government of Canada's strategy to create inclusive growth. In addition to current investments, a new forward looking vision is addressing urgent housing needs on reserve. As part of this funding, Canada Mortgage and Housing Corporation will provide support for the renovation and retrofit of existing housing on

reserve. Moreover, the Government will be working with First Nations communities over the coming year to develop an effective long-term approach to support the construction and maintenance of an adequate supply of housing on reserve.

The need for affordable housing is particularly high in the North and Inuit communities. To address the urgent housing needs in these regions, the Government of Canada will, among other things, provide support to P/Ts through the Investment in Affordable Housing (IAH) program. This funding will benefit the three territories and Inuit regions of Nunavik, Nunatsiavut and Inuvialuit address pressing housing needs.

Improving Basic Services for Indigenous Peoples

The relationship between Canada and Indigenous Peoples is vital. Yet First Nations, the Métis Nation, and Inuit do not enjoy the same quality of life as other people in Canada. Intergenerational poverty harms families and has costs for the Canadian economy. The Government of Canada is committed to working in partnership with Indigenous Peoples to break down the barriers that have for too long held back individuals and communities from reaching their full potential to contribute to and participate in Canada's prosperity. To support our shared economic interests and to advance the process of reconciliation, this Government of Canada proposes an unprecedented level of investment to support Indigenous communities and the aspirations of Indigenous Peoples. The proposed investments, including in on reserve education and infrastructure, begin to address some of the root causes of poverty, promote opportunity and inclusive growth, and help to lay the foundation for growth in Indigenous communities. These targeted investments will benefit the broader Canadian economy.

Looking forward, Canada is affirming its renewed commitment to Indigenous Peoples. As part of a first step, the country is committed to a five year investment to improve the socio-economic conditions of Indigenous Peoples and their communities and bring about transformational change. This investment in a better future for Canada's Indigenous people includes programs which aim to provide clean water, education and family support, adequate housing, and basic community infrastructure improvements.

Education and Family Support

- **Aboriginal Skills and Employment Training Strategy to launch a pilot project to enhance training that aligns with community needs.**
- **Métis Nation Economic Development Strategy to support economic development for the Métis Nation.**
- **First Nation Child and Family Services program to support both the immediate needs of First Nations children and youth and to begin a process of program reform.**
- **Early Learning and Child Care on reserve for urgent repairs and renovations of the facilities used by the Aboriginal Head Start on Reserve Program and the First Nations and Inuit Child Care Initiative.**

Adequate Housing

- **Addressing immediate housing needs on reserve. This represents the first step in a more extensive government commitment to work with First Nations communities over the coming year to develop an effective long-term approach to supporting the construction and maintenance of an adequate supply of housing on reserve as part of a broader National Housing Framework.**
- **Making immediate repairs and renovations to Northern and Inuit housing.**

Clean Water

- **Improving water and wastewater quality on reserves to meet health and safety needs. This commitment ensures proper facility operation and maintenance, while ending long-term boil water advisories on First Nations reserves.**
- **Monitoring of on reserve drinking water by trained water system operators and licensed laboratories.**

HABITAT FOCUS

CMHC Northern Sustainable Housing Initiative

In collaboration with northern housing providers, CMHC has been supporting the design, demonstration and monitoring of models for culturally-appropriate, highly energy efficient, housing throughout the North. Each of the demonstration projects followed a similar process whereby the local community was consulted through an integrated design charrette to ensure input and buy-in from housing providers, industry and future occupants. Participants worked to create housing designs that targeted a minimum 50% reduction in the energy consumption relative to the model national energy code in place at the time while striving to address unique cultural needs of the local community in terms of living space functionality.



Community Infrastructure

- **Investing in health care infrastructure including the construction, renovation and repair of nursing stations, residences for health care workers, and health offices that provide health information on reserve.**
- **Improving solid waste management systems on reserve to create a healthier environment for Indigenous communities.**
- **Constructing of Indigenous recreational and cultural centres.**
- **Support investments in a range of complementary infrastructure such as roads and bridges, energy systems, broadband connectivity, and physical infrastructure to mitigate the effects of natural disasters and fire protection services.**

Part VII Working Together Stakeholders' Partnership

In October 2016, Habitat III will address some of the most important global issues of our time. Creating inclusive cities with access to adequate housing, developing sustainable urban spaces and leaving no one behind in the fight against poverty are formidable challenges which require a commitment to partnership and cooperation. Much like the global community must work together on these issues, Canada recognizes that solving these challenges within its own borders requires the engagement of all stakeholders. From governments to the private sector, civil society groups to Indigenous nations, everyone has a valuable part to play in this stakeholder partnership.

The Government of Canada has committed to renewed collaboration with P/T and municipal governments to achieve results for Canadians. This means understanding local needs and taking action. It is a commitment to this stakeholder partnership which will ensure that federal efforts align with and support municipal programming.

This pragmatic and cooperative approach to the relations between stakeholders will guide policy development in the area of urban governance. While the city is likely to remain the main battleground for the fight against poverty, GHG reductions, and for a host of environmental and socio-economic issues, each level of government will benefit by being aware and supportive of complimentary initiatives.

Equally as important is engagement with public stakeholders in the local and global community. Initiatives such as the Canadian Coalition of Municipalities against Racism and Discrimination (CCMARD), coordinated by the Canadian Commission for UNESCO, bring together a wide range of governmental and civil society partners at the local, P/T and national levels. Drawing on a network of 69 municipalities and numerous partners, CCMARD provides a unique platform to strengthen Canadian communities and facilitate the exchange of good practices both nationally and internationally through the broader UNESCO's International Coalition of Inclusive and Sustainable Cities.

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Additionally, in preparation for Habitat III the global community has come together in a series of eleven thematic and regional meetings. Examining issues from sustainable energy in cities to informal settlements these meetings gathered input to inform the Habitat III priorities. In 2015, Montreal hosted a thematic meeting with participation from cities around the world. The meeting examined the challenges facing metropolitan areas and the necessary action required to bring about positive change.

Domestically, Canada has worked closely with a wide range of stakeholders through a multipronged approach. In the years leading up to Habitat, academics, NGOs, civil society and cities have been involved in policy roundtables. Furthermore, from June to September 2016, government-wide web-based consultations have engaged civil society, non-governmental organizations, academics, and private sectors with the goal of bringing the voice of Canadians to the Habitat III Summit and informing subsequent processes. These engagements have been complimented by in-person meetings with P/Ts, municipalities and Indigenous groups.

Part VIII The Way Forward

In the midst of an uncertain global environment, the Habitat III agenda is both ambitious and essential to ensure prosperity for all citizens. However, the Summit is just the beginning. Enhancing inclusivity in urban and rural areas, and increasing environmentally sustainable practices within the context of economic growth requires a long term commitment from governments and stakeholders.

For its part, Canada is committed to the vision of the New Urban Agenda and is taking strong action to positively shape the Canadian cities and rural areas of tomorrow. Reinforcing the Millennium Development Goals and the Habitat Agenda of 1996 while looking ahead to the 2030 Agenda for Sustainable Development and COP21, the Government is renewing the way it plans, develops and manages urban systems in a way that fosters social cohesion and promotes inclusivity.

The efforts in 2016 represents an important first step towards reaching the immediate goals of Habitat III. But the need for a long-term vision is also important. Governments and stakeholders are working together to develop important action plans that will shape the country over the next two decades. The National Housing Strategy, the Canadian Poverty Reduction Strategy, the National Climate Plan, the National Infrastructure Plan, the Early Learning and Childcare Framework, the Federal Strategy on Gender-based Violence and the Strategy on Innovation are all presently being developed and will be released within the next two years. Additionally, Canada is examining the possibility of instituting an advisory council which could monitor continued progress in the years following Habitat III. Each of these strategies will play an integral role in as part of the broader efforts of Canadians from coast to coast to coast in creating healthier, stronger communities.